



APPROPRIATIONS UPDATE

HOUSE COMMITTEE ON THE BUDGET
Majority Caucus

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VA, HUD, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL FOR FISCAL YEAR 2002

SUMMARY

The Veterans Affairs, Housing and Urban Development, and Independent Agencies appropriations bill reported by the House Committee on Appropriations (H.R. 2620) is

consistent with the conference report on the budget resolution for fiscal year 2002 (H. Con. Res 83). It also complies with the requirements of the Congressional Budget Act.

COST OF THE LEGISLATION

The measure provides \$85.433 billion in new discretionary budget authority [BA] and \$88.069 billion in outlays in 2002 – an increase of \$4.557 billion in BA from the fiscal year 2001 enacted amount. The bill as reported is \$2.076 billion above the President's request. It contains a \$1.3-billion emergency-designated appropriation for the Federal

Emergency Management Agency. It also contains a \$4.2-billion advance appropriation for the Department of Housing and Urban Development [HUD] section 8 housing program, and an \$886-million rescission for the same program. A breakdown of the legislation's spending levels appears on the next page.

VA, HUD, and Independent Agencies Appropriations Bill (fiscal years; millions of dollars)				
	2001 Enacted	Administration 2002 Request	302(b) for 2002	2002 Bill
Budget Authority	80,876	83,357	85,434	85,433
Outlays	84,991	87,892	88,037	88,069

COMPLIANCE WITH THE BUDGET ACT

The bill complies with sections 302(f) and 311(a) of the Budget Act, which prohibit consideration of bills in excess of a subcommittee's 302(b) allocation pursuant to the overall levels of BA and outlays established in the concurrent

resolution on the budget. The \$85.433 billion in new discretionary BA is \$1 million less than the 302(b) allocation to the Appropriations Subcommittee on Veterans Affairs, Housing and Urban Development, and Independent Agencies.

OTHER COMPLIANCE ISSUES

The bill contains an advance appropriation of \$4.2 billion for fiscal year 2003 for HUD's section 8 housing certificate program. This provision is included in the list of anticipated advance appropriations under section 201 of the budget resolution conference report.

The bill also provides that \$900 million for medical care equipment, land, and structures for the Department of Veterans Affairs [VA] shall not become available for obligation until 1 August 2002, and shall remain available until 30 September 2003.

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This document was prepared by the majority staff of the House Committee on the Budget. It has not been approved by the full committee and may not reflect the views of all the committee's members.

MANDATORY SPENDING ISSUES

The bill eliminates the VA's Health Services Improvement Fund. This change from current law saves \$121 million in budget authority for fiscal year 2002. On 19 July 2001, the House Committee on Veterans Affairs ordered reported H.R. 2540, the Veterans Benefits Act of 2001, which would continue the elimination for fiscal year 2003 and beyond, thereby shifting the savings mandatory side of the ledger. The bill claims \$7 million in savings from repeal of Public Law

107-18, enacted on 5 July 2001, which permits HUD to obligate certain funds collected as user fees in the Manufactured Housing Fees Trust Fund. The bill also claims savings of \$152 million from language that limits, to 1 month, the access of Public Housing Authorities [PHAs] to section 8 reserves. Savings are assumed to result because PHAs will issue fewer certificates monthly in an effort to ensure that they do not exceed the funding limit.

EMERGENCIES

The bill designates as emergency spending a \$1.3-billion appropriation to the Federal Emergency Management Agency [FEMA] to reimburse the agency for costs incurred as a result of relief provided to mitigate the effects of a tropical storm that hit Houston, TX.

Under terms of both the Budget Act and the Deficit Control Act, the emergency designation ultimately will trigger an

equivalent increase in the appropriate levels of the budget resolution and the statutory spending caps. There are no limitations on what can be designated an emergency, or on what amounts can be so designated.

Given the state of existing law, neither the emergency designation in this bill, nor the bill as a whole, violates the applicable sections of either law.

Discretionary Spending in the VA, HUD, and Independent Agencies Appropriations Bill

(in millions of dollars)

Department	Budget Authority	Outlays
Department of Veterans' Affairs	24,045	23,324
Department of Housing and Urban Development	29,980	34,180
Environmental Protection Agency	7,545	7,764
Federal Emergency Management Agency	3,586	3,495
National Aeronautics and Space Administration	14,951	14,227
National Science Foundation	4,840	4,161
All Other	486	918

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